



JQuinn@ [REDACTED] on 12/25/2000 01:45:29 PM

To: richfnd@[REDACTED] JQuinn@[REDACTED]
cc: robert.fink@[REDACTED], Kathleen Behan/Atty/DC/ArnoldAndPorter@[REDACTED],
marc.rich@[REDACTED]

Subject: Re: Fw: peres

I agree. I am leaving for Colorado tomorrow. Have been in touch with WH counsel who are reviewing the matter and will speak to POTUS again after the lawyers have given him a read on our papers. My number in Colo is [REDACTED]. Let's have a call either wed or, if sooner is advisable, tues morning before I leave. My home is [REDACTED]. I leave here shortly after noon est. I genuinely believe we have pushed every button and effectively communicated every argument, but I am sure that among us we can always come up with one more idea. He certainly knows now how deeply a number of us feel about the justice of our plea. The greatest danger lies with the lawyers. I have worked them hard and I am hopeful that E. Holder will be helpful to us. But we can expect some outreach to NY. In any case, let's meet by phone. Meanwhile, happy holidays to all and best wishes for a new year that is peaceful in big ways and small.

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

EXHIBIT

36

REGLD-Beyens, N. J.

A0844



JQuinn@ [REDACTED] on 12/27/2000 08:14:35 PM

To: azulrich@[REDACTED] JQuinn@[REDACTED], robert.fink@[REDACTED]
cc: marc.rich@[REDACTED], Kathleen Behan/Atty/DC/ArnoldAndPorter@[REDACTED]

Subject: RE: Chuck Shumer

CS was not as helpful to HRC as she was to him. There may be some feelings about this -- else I wouldn't be aware of it. worry that we have no idea how CS will react. We shd contact him only if we have a VERY, VERY solid contact who can speak to him in the greatest confidence and we will then no doubt have to brief him very carefully. If we have no such close connection, I would be wary of this approach and I have to believe that the contact with HRC can happen without him -- after all, we are not looking for a public show of support from her.

-----Original Message-----

From: Avner
To: quinn jack; Fink, Robert - NY
Cc: Rich, Marc; behan kathleen
Sent: 12/27/00 8:26 AM
Subject: Chuck Shumer

I have been advised that HRC shall feel more at ease if she is joined by her elder senator of NY who also represents the jewish population. The private request from DR shall not be sufficient. It seems that this shall be a pre requisite from her formal position.

All senators are meeting on Jan 3rd. and then shall take off.

Bob, can you check with Gershon which is the best way to get him involved. I shall check with Abe.
rgds-AA



robert.fink@[REDACTED] on 01/02/2001 01:05:38 PM

To: azulrich@[REDACTED]
cc: jquinn@[REDACTED], Kathleen Behan/Atty/DC/ArnoldAndPorter@[REDACTED]

Subject: RE: update

As far as I know he gets them but his Blackberry does not work there so he has to dial into the office for them and he may actually be on the slopes with his family. I have a call into his office to find out his whereabouts and will call or email you with the information. I have not heard from him in response to your last emails either.
bob

> -----Original Message-----

> From: Avner Azulay [SMTP:azulrich@[REDACTED]]
> Sent: Tuesday, January 02, 2001 12:42 PM
> To: robert.fink@[REDACTED];
> JQuinn@[REDACTED]; kathleen_Behan@[REDACTED];
> richfnd@[REDACTED]
> Subject: update
> > I would like to know if JQ rcvd my last emails - and if there are any
> comments.
> > I met today with A. Burg (The Speaker of the House). He shall see if he
> can recruit Israel Singer, Edgar Bronfman and Elie Wiesel. He is leaving
> for NY this wknd and shall be meeting potus in the IPF. He doesn't have
> a private seance with him, but shall see if he can use the opportunity.
> > Has anyone an idea how to reach VernonJ.?
> > You should know that MR spoke with DR. Her impression-from Beth is that
> HRC shall try to be protective of her husband and stay out of potential
> trouble.

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.
Thank you.

For more information about Piper Marbury Rudnick & Wolfe, please visit us at
<http://www.piperrudnick.com/>

A0861

Fink, Robert - NY

From: Fink, Robert - NY
Sent: Saturday, December 30, 2000 3:47 PM
To: 'Avner Azulay'
Subject: RE:

Same to you and your group, but I have a bone to pick with you. I am on holiday and reading Murder in the name of God and find it very disturbing and it make me mad. Do I have to finish it? I ready to say the hell with those people. Still have a good new year.
Oh one more thing. Jack asks if you could get Leah Rabin to call the President; Jack said he was a real big supporter of her husband. He also thinks HRC will hear about this anyway and still wants to contact her. I will call him today in Colorado and go over what DR said. All the best for all of you.
Bob and Margie

-----Original Message-----

From: Avner Azulay
To: Fink, Robert - NY
Sent: 12/28/00 4:18 PM
Subject: Re:

Bob, happy 2001 to you Margie & the rest of the tribe.

----- Original Message -----

From: Fink, Robert - NY <robert.fink@ [REDACTED]>
To: 'Avner Azulay' <azulrich@ [REDACTED]>
Cc: 'Marc Rich' <marc.rich@ [REDACTED]>
Sent: Thursday, December 28, 2000 9:11 PM

> I spoke to DR who was adamantly against the proposal. She is convinced
it
> would be viewed badly by the recipient. Nothing good will come of the
> overture even with a good word from anyone in NY.
> She said she is convinced of this and so is her friend who has
advised
DR
> not to discuss it in front of HRC.
> I spoke to MR both before the call and in the middle of this email and
he
> now agrees we should do nothing on this topic.
> I am going to Vermont tonight and hope to stay until Monday.
> If I do not speak to you have a happy, healthy new year.
> Bob
>

> The information contained in this communication may be confidential,
is
intended only for the use of the recipient named above, and may be
legally
privileged. If the reader of this message is not the intended
recipient,
you are hereby notified that any dissemination, distribution, or copying
of
this communication, or any of its contents, is strictly prohibited. If
you
have received this communication in error, please re-send this
communication
to the sender and delete the original message and any copy of it from
your
computer system.
> Thank you.
>
> For more information about Piper Marbury Rudnick & Wolfe, please visit
us
at <http://www.piperrudnick.com/>
>

Fink, Robert - NY

From: Fink, Robert - NY
Sent: Monday, January 01, 2001 2:55 PM
To: 'Jack Quinn'
Subject: RE:

Let's discuss on Tuesday, when at least I will be back in the office. If you prefer to talk today, Monday, I am at home. [REDACTED]
[REDACTED].. Hope all is well, with you and the family. Happy New Year. Bob

-----Original Message-----

From: Jack Quinn
To: 'Fink, Robert - NY'
Sent: 12/31/00 1:02 AM
Subject: RE:

it's a tough call, no doubt. I just think that HE will know the calculation you mention and therefore she will become aware it is pending.
if this is right, do we want her to hear about it first in that way or from someone (assuming we have someone) who can put it to her in the context we need?

-----Original Message-----

From: Fink, Robert - NY
To: 'Jack Quinn'
Sent: 12/30/00 3:40 PM
Subject: RE:

I just scrolled down to this email so I guess I know the answer to my last question, but I cannot help but think they are right. She has something to lose and little to gain and may not want anything which will affect her new position. I will try to call later if you do not mind.
Bob

-----Original Message-----

From: Jack Quinn
To: 'Fink, Robert - NY'
Sent: 12/28/00 6:46 PM
Subject: RE:

I think the friend is naive to think this will not be discussed in front of her.

-----Original Message-----

From: Fink, Robert - NY
To: 'Jack Quinn'
Sent: 12/28/00 3:24 PM
Subject: FW:

I am forwarding this to you in case we do not speak. Have a good vacation.
bob

> -----Original Message-----

> From: Fink, Robert - NY
> Sent: Thursday, December 28, 2000 2:12 PM
> To: 'Avner Azulay'
> Cc: 'Marc Rich'
> Subject:
>

it
> would be viewed badly by the recipient. Nothing good will come of the
> overture even with a good word from anyone in NY.
> She said she is convinced of this and so is her friend who has
advised
> DR not to discuss it in front of HRC.
> I spoke to MR both before the call and in the middle of this email and
he
> now agrees we should do nothing on this topic.
> I am going to Vermont tonight and hope to stay until Monday.
> If I do not speak to you have a happy, healthy new year.
> Bob

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.
Thank you.

For more information about Piper Marbury Rudnick & Wolfe, please visit us at <http://www.piperrudnick.com/>

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.
Thank you.

For more information about Piper Marbury Rudnick & Wolfe, please visit us at <http://www.piperrudnick.com/>

Jack Quinn

From: Jack Quinn
Sent: Thursday, February 03, 2000 2:53 PM
To: 'Fink, Robert - NY'
Cc: Maria Zometsky
Subject: RE:

[REDACTED] not that i'm
concerned, but did marc decide to renew the retainer? i've not heard
anything.

[REDACTED]
REDACTED
[REDACTED]
[REDACTED]
[REDACTED]

The e-mail address and domain name of the sender changed on November 1, 1999. Please update your records.

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.
Thank you.

EXHIBIT

37

PENGAD-Beyonne, N. J.

JQ

02847

Fink, Robert - NY

From: Fink, Robert - NY
Sent: Monday, February 28, 2000 11:37 AM
To: 'Rich, Marc'
Subject: RE: Update February 28,2000

REDACTED

-----Original Message-----

From: Rich, Marc [SMTP:marc.rich@
Sent: Monday, February 28, 2000 5:51 AM
To: 'Fink, Robert - NY'; Rich, Marc
Cc: 'Avner Azulay'
Subject: RE: Update

Dear Bob,

Your last message was your email of February 17th. Are there any further thoughts from Jack?

Best regards

Marc

-----Original Message-----

From: Fink, Robert - NY [mailto:robert.fink@
Sent: Donnerstag, 17. Februar 2000 18:03
To: 'Marc Rich'
Cc: 'Avner Azulay'
Subject: Update

I spoke with Jack later yesterday and we have a conference call scheduled for tomorrow morning with Kitty.

He agrees (subject to further discussion) with trying to have Eric help us meet with the tax lawyers in Main Justice (and maybe the head of the criminal division) to see if the professors can convince the chief government tax lawyers that this was a bad tax case. He also agrees that such a conclusion would be useful for many purposes including going back to the SDNY.

Similarly, he agrees we should make something of the fact that the office was dealing with fugitives (who surrendered this week) in connection with the Russian money laundering case, while insisting that they can't deal with

PMR&W 00720

EXHIBIT

38

PERGAD-Bayonne, N. J.

Still, he wants to give Eric a short list of what is wrong with the indictment as he agreed to do that. He feels we can do both. We will prepare something and I will let you know how tomorrow goes. I have only recently spoken to Jack, Gershon and Kitty on this issue and all agree that we should try to approach the DoJ tax lawyers even without the SDNY if necessary. I know that Scooter always felt this was our fall back position.

Please let me know if you have the same or different thoughts.

Separately, I have been thinking about your reaction to Jack.

When we meet, he felt (and he made clear that he believed this, but was not sure) that he could convince Eric that it made sense to listen to the professors and that he could convince Eric to encourage Mary Jo to do the same. In this he was correct. Moreover, in the preparation process, it became clear that Jack was not just a pretty face but had thoughtful ideas and questions and was not simply relying on his past contacts to make this happen. So, I would not give up on him, at least not yet, as he is still a knowledgeable guy who has a clear understanding of relationships and what may be doable. While we may get more than that, we should not have enlarged expectations.

Best regards, Bob

The e-mail address and domain name of the sender changed on November 1, 1999. Please update your records.

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.

Thank you.

The e-mail address and domain name of the sender changed on November 1, 1999. Please update your records.

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.

Thank you.

For more information about Piper Marbury Rudnick & Wolfe, please visit us at <http://www.piperrudnick.com/>

PMR&W 00721

Fink, Robert - NY

From: Fink, Robert - NY
Sent: Tuesday, February 29, 2000 9:40 AM
To: 'Rich, Marc'
Subject: RE: Update February 28,2000

Gershon has not billed for months. He has spoken to me many time and Avner at least one and meet with me and Jack at least three times (Jack speaks to him more) in the last two months and I know he speaks to Michael from time to time. He even did a draft outline of what he thought our response should be to the Southern District, which he, frankly, thought required a response. No doubt he has done billable work for which we have not been billed. He knows that you do not want him to work for free, but has not billed or has just delayed it. As for Jack, the original idea he had with you was to go to Eric and try to get him to encourage the DoJ of hear out the professors. He warned that Eric might have to notify Mary Jo first. In the end, Eric felt that he had to offer her the opportunity to participate fully -- although Jack always wanted a commitment from Eric that he would proceed if she failed or refused to proceed. Eric would not give the commitment, putting the decision off. Our thinking changed when we began to get some encouragement (or the perception of encouragement) that Mary Jo's office would participate. When they threw cold water on that, we were discouraged and Jack and Eric focused on what went wrong and whether it could be undone, and Eric asked Jack for information on the indictment, etc., with the apparent idea of going back to revisit the issue.

We all, myself included if not especially, felt that going back to the SDNY now made no sense, at least if we could persuade Eric that the DoJ had its own particular interest in the indictment and the tax case (which we understand was never cleared at Main Justice, even though that is the norm). So Jack was involved in all of those discussions, including the ones with Eric, and he reviewed the various drafts and made his own suggestions and, as I said yesterday, consulted with an Eric protege he has brought into the matter, before the final draft went to Eric yesterday, encouraging him to have the DoJ take a look at the case, even if the SDNY will not. All in all, while he has been very busy and sometime hard to get to, he has not separated himself from the matter and has fully participated. He has not pushed me for the retainer, though, and realizes that he does not have an agreement with you.

I think it makes sense to compensate him for what he has done and may continue to do.

Just give it some more thought and we can come back to it soon. We can wait, if you want, to see what Eric says, although it may pay to respond now, before Eric response to the last message from Jack, so it does not look like you were only willing to pay because of a positive response, as that was not the agreement. Even if we stop everything we are doing, and decide not to investigate the pardon, etc., at this time, we should fold this down in a friendly way.

Let me know what you think or whether you want to talk about it. I am in all day today.

Best regards, Bob

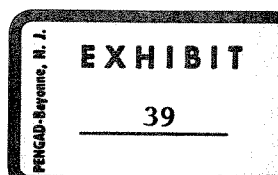
-----Original Message-----

From: Rich, Marc [SMTP:marc.rich@
Sent: Tuesday, February 29, 2000 4:40 AM
To: 'Fink, Robert - NY'
Subject: RE: Update February 28,2000

REDACTED

PMR&W 00722

>
>
>



Fink, Robert - NY

From: Fink, Robert - NY
Sent: Tuesday, June 06, 2000 2:56 PM
To: 'Marc Rich'
Subject: Jack Quinn

Hello.

Jack Quinn and I traded calls until today. He is well and doing well.

He has not forgotten you or what we set out to do, but has pretty much concluded that there is nothing to do until we get closer to (or even passed) the election, or as he put it, the closing days of the current administration. We agreed that we were waiting for matters to clarify or change and I observed that the Giuliani's situation has changed dramatically since we decided to wait to see what develops. So, too, could the situation for others.

Jack raised the question of his status.

I told him that I felt that you would feel that he had been compensated for the past, even though the retainer had run out before he stopped work, but that you would not want or expect him to work without compensation going forward -- indeed, you appreciated that it was important to compensate people who you asked to perform for you; although I thought you would not want to get involved in another one of those six month retainers.

Jack said he did not want to make a proposal that you might find objectionable, but felt some clear arrangement for the future was appropriate. I told him I hoped to see you soon, and that I would raise it with you when I see you and come back with a suggestion. He was happy with that and we agreed to catch up with each other on this issue in the beginning of July.

Let me know if you have any thoughts.

Best regards, Bob

PMR&W 00731

Fink, Robert - NY

From: Fink, Robert - NY
Sent: Friday, July 07, 2000 5:22 PM
To: 'Marc Rich'
Subject: Jack Quinn

Here is my proposal on Jack Quinn, consistent with your advice to me.

Jack originally proposed a \$50,000 per month retainer and additional hourly charges for Kitty Behan. We settled at \$55,000 per month, including Kitty, which was a better deal because at her hourly rate her billings would have averaged over \$10,000 per month. Moreover, we continued to consult with Jack (and Kitty) after the retainer period had ended so that the average blended rate for Jack was well below \$45,000. (OK, enough with making you feel better.)

At the moment the issue raised by you and Michael is how to keep Jack on a "retainer" so that he is available for questions that might arise and, more importantly, available in the Fall, if we want him to be. Since the Fall is not far away, and you will know whether you want him to gear up again within four months or so, I suggest that we offer Jack \$10,000 per month as a retainer to keep his eyes, ears and brain open to events and thoughts that may be helpful, with the understanding that if a decision is made to proceed that we will renegotiate the monthly retainer to reflect the changed circumstances.

This arrangement could start mid-July or August 1st. He has not pushed me for this and, indeed, we are the ones who raised the idea of keeping him on a retainer. Still, if we do go back to Jack and offer a package, we should not schedule it to begin weeks after the proposal. So, if I were to call him next week, I would want to suggest a July 15th start date.

Let me know if this is in the ball park.

Best regards, Bob

PMR&W 00732

Jack Quinn

From: Jack Quinn
Sent: Tuesday, January 23, 2001 3:17 PM
To: April Moore
Subject: Fw: RE: Debra Orin

Pls fax to ccc link re orin question. Thx

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----
From: gkekst <gershon-kekst@KEKST.COM>
To: 'Jack Quinn' <JQuinn@████████████████████>
Sent: Tue Jan 23 14:05:59 2001
Subject: RE: Debra Orin

The privacy of my personal and professional relationships is inviolate and so I would not, as a lifelong practice, discuss such a question. Suffice to say that in this case my motivation was quite simple: an injustice needed to be corrected and I determined to do what I could to help accomplish that. The facts on record spoke for themselves and the potus was able to make his independent decision. There is no greater reward for me than to see that justice was, finally, well-served.

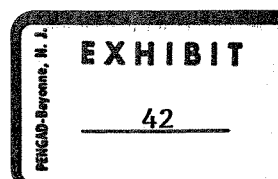
Gershon

-----Original Message-----
From: Jack Quinn [mailto:JQuinn@████████████████████]
Sent: Tuesday, January 23, 2001 2:03 PM
To: gkekst
Subject: Debra Orin

Wants to know if I received a fee. My instinct is to either not respond or say that I have never, in 25 yrs, thought it proper to discuss a client fee arrangement or even if there was one. What say you?

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

This e-mail, and any attachments thereto, is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this e-mail, you are hereby notified that any dissemination, distribution or copying of this e-mail, and any attachments thereto, is strictly prohibited. If you have received this e-mail in error, please immediately notify me at ██████████ and permanently delete the original and any copy of the e-mail and any printout thereof.



Jack Quinn

From: Rich, Marc [marc.rich [REDACTED]]
Sent: Tuesday, January 23, 2001 6:19 AM
To: 'JQuinn@ [REDACTED]'
Cc: Robert Fink (E-mail)

Dear Jack,

As time goes by it's sinking in more and more and I once again want to thank you for all you've done. I still want to thank you personally and properly on a separate occasion when we meet.

Best regards,

Marc Rich

Jack Quinn

From: Jack Quinn
Sent: Monday, March 05, 2001 5:28 PM
To: 'Rich, Marc'
Subject: Greetings

Greetings. Quite a month we have had! If you are agreeable, and I hope you are, I need to fax to you in the next few days a new retainer agreement. I cannot, under the D.C. Bar rules continue to work without a written agreement, and I have been crafting one which I will forward shortly. I hope that, in recent days, the public has begun to see your pardon in a different light. I particularly thought that our hearing last Thursday brought to the fore aspects not previously appreciated. About all this I hope we shall speak soon. Best to you.

-----Original Message-----

From: Rich, Marc [mailto:marc.rich@...]
Sent: Friday, February 09, 2001 6:36 AM
To: Jack Quinn (E-mail)
Cc: Robert Fink (E-mail)
Subject:

Dear Jack

I just saw you on "Larry King Live". You did a beautiful job! And you also look great. Congratulations. If ever you want, I'd be very happy to negotiate movie rights for you.

I hope we'll have a chance to talk once again one of these days.

Thank you and best regards

Marc Rich

Jack Quinn

From: Jack Quinn
Sent: Friday, February 09, 2001 12:48 PM
To: 'marc.rich' [REDACTED]
Subject: Re:

Thank you so much. I may indeed prefer after this a different career, but I suspect even a man of your negotiating ability could not get this old guy a movie career. We will and should speak soon. I am trying to decompress and am taking my wife tonight to a charming inn on the eastern shore of Maryland. The phone at home is constantly ringing and a night away is in order. We are in a situation that is a magnet for press attention - we made a solid and defensible case, but it is obscured by reports of contributions and gifts that were not the basis upon which we made our arguments and indeed of which we were unaware. In this atmosphere, it is exceedingly difficult to break through with a message about the flaws of the indictment. I will continue to make the effort because the charges against you were flawed. If I did not believe that I would not have taken on this effort. That, I trust, and the correctness of our position will ultimately become clear. I look forward to speaking to you personally.

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Jack Quinn

From: Rich, Marc [REDACTED]
Sent: Tuesday, March 06, 2001 9:12 AM
To: 'Jack Quinn'

Dear Jack

With reference to your email of March 5, please go ahead and send me the new retainer agreement.

Best regards
Marc Rich

-----Original Message-----

From: Jack Quinn [mailto:JQuinn@REDACTED]
Sent: Montag, 5. März 2001 23:28
To: 'Rich, Marc'
Subject: Greetings

Greetings. Quite a month we have had! If you are agreeable, and I hope you are, I need to fax to you in the next few days a new retainer agreement. I cannot, under the D.C. Bar rules continue to work without a written agreement, and I have been crafting one which I will forward shortly. I hope that, in recent days, the public has begun to see your pardon in a different light. I particularly thought that our hearing last Thursday brought to the fore aspects not previously appreciated. About all this I hope we shall speak soon. Best to you.

-----Original Message-----

From: Rich, Marc [mailto:REDACTED@REDACTED]
Sent: Friday, February 09, 2001 6:36 AM
To: Jack Quinn (E-mail)
Cc: Robert Fink (E-mail)
Subject:

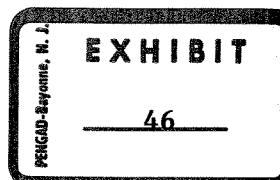
Dear Jack

I just saw you on "Larry King Live". You did a beautiful job! And you also look great. Congratulations. If ever you want, I'd be very happy to negotiate movie rights for you.

I hope we'll have a chance to talk once again one of these days.

Thank you and best regards

Marc Rich



M. RICH FILE

JACK QUINN

- | | |
|------------------------|-----------------------------|
| 1. bk | 15. 6/w |
| 2. MR | 16. untemp.
advice |
| 3. statements | |
| 4. skepticism | 17. stayed away
Ricw/5x5 |
| 5. wrong | |
| 6. you | 18. why now |
| 7. not RV | 19. wrong to
sit |
| 8. price controls | • no tax
• disparate |
| 9. swaps | 20. request |
| 10. DOE view | 21. wave
off |
| 11. Feetank | |
| 12. SD view | |
| 13. escalation - EDW | |
| 14. ARW PRO | |

JACK QUINN

WASHINGTON, D.C.

Eric

11/8/99

C.O.S.

Dan Margolis

all think ridiculous

Send letter to Mary To - not Larry
or me - cc EH + JR (Loretta)

once we get, we'll call her and

say you shd do it.

be reasonable + conciliatory

Prison

Youngstown, Texas

4th lang. covered a DC

in experience.

E

ARNOLD & PORTER

555 TWELFTH STREET, N.W.
WASHINGTON, D.C. 20004-1206

(202) 942-5000
FACSIMILE: (202) 942-6899

NEW YORK
DENVER
LOS ANGELES
LONDON

JACK QUINN

December 1, 1999

Via Overnight Mail

Honorable Mary Jo White
United States Attorney
Southern District of New York
One St. Andrews Plaza
New York, New York 10007

Re: United States vs. Marc Rich

Dear Ms. White:

We are writing to request your attention to a matter involving our client, Marc Rich. Mr. Rich's outstanding 1983 indictment — now pending for over sixteen years — is among the oldest unresolved matters on the Southern District's docket (and, indeed, nationwide.)

From the time that the investigation into this matter began in the early 1980s until the resolution of the corporate cases in 1984, Mr. Rich's defense followed a most unfortunate, no-communication, no-cooperation, no-negotiation strategy. For that expensive, but ill-advised strategy, Mr. Rich has paid dearly.

However, since the mid-1980s, the defense has completely reversed this posture toward the case. Mr. Rich's defense has offered full cooperation and a willingness, even eagerness, to enter into a detailed discussion of the merits of the case and serious negotiations for resolution of it.

Despite this change, the last discussions in this matter occurred in 1994, when your Office took the position that no further discussions were possible while Mr. Rich remained outside the United States. That position is inconsistent with the numerous instances in which the Department of Justice has chosen to discuss and resolve issues

EXHIBIT

ARNOLD & PORTER

Honorable Mary J. White
December 1, 1999
Page 2

with counsel for individuals who have remained outside the country during negotiations. In any event, for the reasons set forth below, we urge you to view this as a matter that can and should now be discussed with Mr. Rich's counsel without Mr. Rich being present.

First and foremost, we submit that it ill serves both the interests of the United States and Mr. Rich to continue the current impasse, and we very much would like to begin a process with your Office and (because any resolution would have to be approved at Main Justice) with the relevant Divisions of the Department of Justice that could lead to closure. We believe that, despite the passage of time, this matter is even more capable of resolution today than it was sixteen years ago. To explain this, we will need to put the matter and the indictment in some context.

This case grew out of the oil embargo and shortages of the seventies and the resultant patchwork of energy regulation. At bottom, those regulations were designed to limit prices to 1973 levels except to the extent that producers exceeded their historical production levels. Any additional production, known as "new oil," could be sold at higher prices. Of course, non-U.S. producers were not subject to price restrictions and could sell oil on the world market at multiples of the United States' "old oil" price.

As a result of these price discrepancies, this country's unilateral regulatory system created a powerful incentive for the major U.S. oil producers -- ARCO, Texaco, and others -- to avoid the impact of the regulations. They did this in dealings with international oil resellers by linking regulated oil transactions with unregulated ones. The U.S. oil producers sought to structure transactions that provided additional profits on foreign transactions to partially compensate them for their inability to maximize profits on regulated domestic transactions. This resulted in the structuring of complex linked transactions between the major oil companies and resellers around the world. The Marc Rich companies were among the many resellers involved in these transactions with the

ARNOLD & PORTER

Honorable Mary J. White
December 1, 1999
Page 3

major United States oil companies. These transactions – including many involving ARCO – are the central subject of the Rich indictment, in which he and a colleague, Pincus Green, and two associated companies were charged with a variety of crimes related to these structured oil transactions, including the tax reporting by one of the corporate defendants.

We believe that this context is important for several reasons. First, as you may know, none of the major U.S. oil companies who structured these transactions was ever prosecuted criminally. To the contrary, when the Department of Energy looked at the transactions involving ARCO and other companies, including the Marc Rich companies, it concluded that ARCO had improperly failed to account for the linked transactions (by which ARCO violated the excess pricing/profits regulations), but nevertheless only pursued ARCO on a civil basis for violations of the regulations. This was true even though DOE recognized that these “‘linked’ or ‘tied in’ transactions [were] proposed and arranged by ARCO . . . all at prices which were calculated by ARCO.” Department Of Energy Proposed Remedial Order (“PRO”), October 4, 1985 at 19 (enclosed herewith). Moreover, in seeking to impose civil liability on ARCO, the Department of Energy also recognized that the Marc Rich companies had properly accounted on their books for the “financial concessions” to ARCO in the linked transactions “as costs of the domestic crude oil which they purchased.” Id. at 17-18.

This latter point is crucial: despite DOE’s recognition that Marc Rich had properly linked the transactions for accounting purposes, and ARCO had not, the Southern District has relied on these same transactions in its indictment, but took the position, contrary to the DOE regulators, that the domestic and foreign transactions are not linked for U.S. tax purposes. This inconsistent treatment by DOE and the Southern District is not simply a curiosity – it goes to the very heart of the U.S. government’s case against Marc Rich. In short, DOE collected many millions of dollars in penalties from

ARNOLD & PORTER

Honorable Mary J. White
December 1, 1999
Page 4

ARCO, on exactly the opposite analysis of the facts than that taken in the indictment, which led to the corporate defendants' paying many more millions of dollars to the Southern District.

Thus, we continue to believe that, if your Office and the Department of Justice's Tax Division were to take a thorough look at the tax charges that form the core of the indictment, you will agree with us that this is not a criminal tax case. In fact, the corporate defendants originally paid all the taxes they owed and properly reported all of their domestic oil trading profits. Our conclusion is consistent with the position of the Department of Energy and is supported by the opinions of two of the leading tax authorities in the country, who continue to stand ready to explain their conclusions. Professors Bernard Wolfman of Harvard and Martin D. Ginsburg of Georgetown both have concluded that what the indictment alleges as unreported "domestic profits" were properly attributed to foreign transactions and, thus, under the governing U.S.-Swiss tax treaty, were not subject to United States income tax. Likewise, they have concluded that what the indictment characterized as "false deductions" were in fact properly treated as a cost of goods sold and, thus, were reductions of income. Their conclusion is consistent with the legal advice received at the time the transactions were structured.

We would like to begin by asking that you or your representative, along with representatives of the Tax and Criminal Divisions of the Department of Justice, meet with Professors Wolfman and Ginsburg, and members of our legal team, to personally evaluate their conclusions. We urge this approach because the tax allegations underlie so much of the indictment, and because the merits of our tax position can be quickly evaluated. We believe that such a meeting will advance a resolution of this matter.

ARNOLD & PORTER

Honorable Mary J. White
December 1, 1999
Page 5

We further believe that we can persuade you that neither the law nor the policies of the Department of Justice support the RICO charges and that, in this regard, too, the indictment as currently drafted should not stand.

The Department of Justice today would not base RICO charges on a tax case. As you know, the 1983 indictment was the first use of RICO, and RICO forfeiture, in a major white-collar case. The Department of Justice has since acknowledged that Congress did not intend RICO or mail or wire fraud to be used in tax evasion cases. See United States Attorneys Manual ("USAM") ¶6-4.211(1). Furthermore, the RICO predicates based on alleged use of the mails to defraud the Department of Energy are defective under McNally v. United States, 483 U.S. 350 (1987).

The indictment applied RICO's most draconian provisions and sought forfeiture of the defendants' entire interest in the enterprise, including hundreds of millions of dollars that were not even claimed to be the proceeds of criminal conduct. Recognizing the coercive effect of overdrawn forfeitures, the Department of Justice in 1989 adopted rules prohibiting prosecutors from seeking forfeitures or pretrial restraints that are disproportionate or disrupt normal, legitimate business activities. (See USAM ¶ 9-110.415.)

We think that these intervening changes in DOJ policies and RICO law provide yet another reason why your Office should look anew at the indictment, if only to remove those aspects which clearly are not in accord with current DOJ policy.

Finally, we believe that we can show that the charges of unlawful dealings with Iran were then, as now, defective. Significantly, the superseding indictment dropped the Iranian charges against the corporate defendants. We anticipate that your office will reach the same conclusion with regard to Mr. Rich personally.

ARNOLD & PORTER

Honorable Mary J. White
December 1, 1999
Page 6

Marc Rich may be outside the jurisdiction of the United States, but he has in fact suffered much over the past sixteen years as a result of the outstanding indictment. He was unable to visit with and say goodbye to his daughter, Gabriella, prior to her death from leukemia, because he was denied permission to travel to her hospital bed. His reputation has been severely tarnished for transactions that renowned tax professors contend should not even have resulted in civil liability. The Marc Rich companies also have been tarnished by the financially motivated corporate guilty pleas, have suffered massive losses in corporate revenues, and have paid huge fines for transactions for which others, if charged at all, received only an administrative sanction.

We believe that this context distinguishes this case from others in which a dialogue might not be productive and so not worth the time and effort of either side. We also believe that these same distinctions — where the country's leading tax experts have concluded that there was no tax fraud (validating the tax advice given during the period the transactions were being structured), where the RICO charges were defective and are now at odds with DOJ policies, where different branches of the U.S. Government have collected millions of dollars from both ARCO and the corporate defendants on dramatically opposite factual conclusions drawn from the same set of facts — make this a case where dialogue with counsel is appropriate even though Mr. Rich resides abroad.

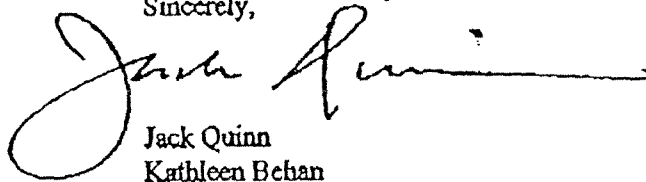
In essence, we believe that there are very real and important legal policy issues raised by the indictment — issues that should have been, but regrettably were not, forthrightly presented to your Office, or the Department of Justice's Tax Division or Criminal Division, at the time of the indictment. Mr. Rich is now 64 years old. We are hopeful you will agree that the time for a constructive dialogue with the Government is now.

ARNOLD & PORTER

Honorable Mary J. White
December 1, 1999
Page 7

I, and the defense counsel who have long been involved with this matter, urge your Office and the Department of Justice to begin a process with us that can bring this matter to a resolution. We look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jack Quinn", with a long horizontal flourish extending to the right.

Jack Quinn
Kathleen Behan

Cc: The Honorable Eric Holder
The Honorable James Robinson
The Honorable Loretta Collins Argrett

Marc Rye

Eric —

Spoke to M.J.

She has taken it herself

and is reviewing it personally

he'll do what he can

She didn't sound like her

Grand was up



U.S. Department of Justice

United States Attorney
Southern District of New York

6

The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007

February 2, 2000

Jack Quinn, Esq.
Kathleen Behan, Esq.
Arnold & Porter
555 Twelfth Street, N.W.
Washington D.C. 20004-1206

Re: United States v. Marc Rich, et al.
SI 83 Cr. 579 (SWK)

Dear Mr. Quinn and Ms. Behan:

We are writing in response to your letter of December 1, 1999, seeking a resolution of the Marc Rich prosecution. Under the present circumstances, however, the resolution that you contemplate, namely a dismissal or major modification of the indictment, is impossible. As we have repeatedly told a succession of lawyers who have approached our Office with similar applications, it is our firm policy not to negotiate dispositions of criminal charges with fugitives. Such negotiations would give defendants an incentive to flee, and from the Government's perspective, would provide defendants with the inappropriate leverage and luxury of remaining absent unless and until the Government agrees to their terms. Moreover, it would not be an appropriate use of the Government's resources to attempt to resolve a case with an absent defendant without a guarantee of his or her intention to return regardless of whether any resolution is reached. If Mr. Rich genuinely believes that he is innocent and believes in the strength of his arguments, then he can surrender to the jurisdiction, and at that time, we will fully and fairly consider his arguments. We will not, however, have such discussions on the merits of the charges until Mr. Rich submits to the jurisdiction of the Court. From the beginning of this case, we have been open to discussions regarding the terms of Mr. Rich's surrender to our jurisdiction, and remain open to such discussions.

While we have been unwilling to negotiate with Mr. Rich in his absence, we have heard numerous presentations over the

EXHIBIT

years from lawyers representing Mr. Rich urging our Office to dismiss the charges against him. Indeed, in 1987, an Assistant in this Office met with Mr. Rich's counsel and listened to the same presentation by Professor Martin D. Ginsburg referenced in your letter regarding the merits of the tax charges. Nothing in those presentations or in your letter has persuaded us to change our long held policy with regard to fugitives. Accordingly, under the current circumstances, we must decline your suggestion for discussions.

I have communicated with representatives of the Deputy Attorney General and Assistant Attorney General, Criminal Division, and with the Acting Assistant Attorney General of the Tax Division. They all concur that this is a matter within the discretion of the United States Attorney for the Southern District of New York.

Very truly yours,

MARY JO WHITE
United States Attorney

By: 

SHIRAH NEIMAN
Deputy United States Attorney
Tel.: (212) 637-2576

cc: Eric H. Holder, Jr., Deputy Attorney General
James K. Robinson, Assistant Attorney General
Paula M. Junghans, Acting Assistant Attorney General

Fink, Robert - NY

From: Fink, Robert - NY
Sent: Thursday, February 17, 2000 12:03 PM
To: 'Marc Rich'
Cc: 'Avner Azulay'
Subject: Update

I spoke with Jack later yesterday and we have a conference call scheduled for tomorrow morning with Kitty.

He agrees (subject to further discussion) with trying to have Eric help us meet with the tax lawyers in Main Justice (and maybe the head of the criminal division) to see if the professors can convince the chief government tax lawyers that this was a bad tax case. He also agrees that such a conclusion would be useful for many purposes including going back to the SDNY. Similarly, he agrees we should make something of the fact that the office was dealing with fugitives (who surrendered this week) in connection with the Russian money laundering case, while insisting that they can't deal with fugitives.

Still, he wants to give Eric a short list of what is wrong with the indictment as he agreed to do that. He feels we can do both.

We will prepare something and I will let you know how tomorrow goes.

I have only recently spoken to Jack, Gershon and Kitty on this issue and all agree that we should try to approach the DoJ tax lawyers even without the SDNY if necessary. I know that Scooter always felt this was our fall back position.

Please let me know if you have the same or different thoughts.

Separately, I have been thinking about your reaction to Jack.

When we meet, he felt (and he made clear that he believed this, but was not sure) that he could convince Eric that it made sense to listen to the professors and that he could convince Eric to encourage Mary Jo to do the same. In this he was correct. Moreover, in the preparation process, it became clear that Jack was not just a pretty face but had thoughtful ideas and questions and was not simply relying on his past contacts to make this happen. So, I would not give up on him, at least not yet, as he is still a knowledgeable guy who has a clear understanding of relationships and what may be doable. While we may get more than that, we should not have enlarged expectations.

Best regards, Bob

PMR&W 00701

JACK QUINN

2/28/00

Eric -

Here is the
short paper I
promised you.

Many thanks
and Best Regards!

Jack

WHY DOJ SHOULD REVIEW THE MARC RICH INDICTMENT

The refusal of the SDNY to participate in a discussion of the Marc Rich case is sorely disappointing. That office (and DOJ) should not sit on a defective indictment. And the reason given — that Rich is outside the country — is belied by recent reports indicating that this same office negotiated a plea with counsel for the accused Russian money launderers while those defendants were outside the jurisdiction. Why the uneven approach?

Overview. This case involves significant DOJ resources and interests. The vast portion of the indictment consists of tax, RICO and wire/mail fraud counts that are legally defective, violate DOJ policy or assert facts inconsistent with established USG positions and expose the USG and DOJ to charges of improper or unfair conduct. As a matter of both fairness and sound enforcement policy, DOJ should review this legally flawed indictment, and thereby help bring this matter to a close. A review would further the interests of justice by ensuring that prosecutors did not abuse their authority or stretch the law. And a review by the appropriate DOJ offices is particularly important because the bulk of the indictment concerns technical tax and energy counts that are extremely complicated, and are the types of matters in which defense counsel are usually heard. Rich's counsel simply ask for an opportunity for the prosecutors to listen to his side of the story — something that in truth has never happened.

1. **RICO, Wire and Mail Fraud - Violation of DOJ Policy/Legally Defective.**

Most of the counts involve RICO, mail fraud and wire fraud, alleging efforts to defraud the IRS and the DOE. The RICO and wire fraud counts based on an alleged fraud on the IRS violate DOJ policy, adopted in the wake of the Princeton/Newport case, against using such counts to prosecute tax charges (see USAM 6-4.211(1), effective July 14, 1989). The RICO and mail fraud counts based on an alleged fraud on DOE are defective under the Supreme Court's holding in McNally v. United States, 483 U.S. 350 (1987).

2. **Tax & Energy Counts - DOJ Tax Review, Inconsistent Administration of Justice.**

The core of the indictment, the counts on tax evasion and efforts to defraud DOE, assert facts directly contradictory to positions taken by DOE when it collected tens of millions of dollars in its successful civil prosecution of ARCO on the very same transactions charged in the Rich indictment. Indeed, the DOE findings support Marc Rich's legal claims. Moreover, two of the country's leading tax experts, Professors Martin Ginsburg and Bernard Wolfman, have concluded that Marc Rich did not violate the tax laws. DOJ tax review with an opportunity for the defense to be heard is especially critical under these circumstances.

3. **DOJ Resources and Reputation.** The DOJ website lists Marc Rich on its International Fugitive page. This involves USG resources and is a potential embarrassment for DOJ.

The Need for DOJ Involvement. The SDNY is sitting on a notorious, but flawed, indictment. And it knows it. That is corrosive to the cause of justice. And the reason given for refusing a discussion to resolve the matter seemingly applies to Mr. Rich but not to others.

Fairness dictates a meeting with DOJ at which we can present the merits of our case, especially our tax case, which is, after all, a matter for DOJ.

Jack Quinn

From: Jack Quinn
Sent: Tuesday, March 14, 2000 6:22 PM
To: 'Fink, Robert - NY'; Jack Quinn
Cc: 'Kitty Behan'; 'Gershon Kekst'
Subject: RE: holder call

yes, we shd reconnect with avner and get that moving. but we have to push hard for something that is initiated abroad; i don't think we'll succeed in getting a call from here to there to inquire whether goi has any comments.

-----Original Message-----

From: Fink, Robert - NY [mailto:robert.fink@[REDACTED]]
Sent: Tuesday, March 14, 2000 4:38 PM
To: 'Jack Quinn'
Cc: 'Kitty Behan'; 'Gershon Kekst'
Subject: RE: holder call

Thanks. And keep your dukes up.
Anything any of us can do on the GOI front?
Do you want to reach Zvi or Avner?
Bob

> -----Original Message-----

> From: Jack Quinn [SMTP:JQuinn@[REDACTED]]
> Sent: Tuesday, March 14, 2000 4:35 PM
> To: 'robert.fink@[REDACTED]'
> Cc: 'kathleen.behan@[REDACTED]'; 'gershon-kekst@[REDACTED]'
> Subject: holder call

>
> we spoke briefly today. it started how badly -- "we've gone as far as
> we can go, can't figure out a way around shira, etc" -- but i pushed
> back hard on the russian money laundering culprits and the uneven
> treatment of marc. he wants to talk further about that with his
people,
> said he'd call me back tomorrow. it's time to move on the GOI front
--
> but we have to get the call initiated over there. (ps -- i had a call
> scheduled with steinhart yesterday a.m., but he stood me up -- when he
> called later yesterday afternoon, i was gone. i'll call him back
soon.)

The e-mail address and domain name of the sender changed on November 1, 1999. Please update your records.

The information contained in this communication may be confidential, is intended only for the use of the recipient named above, and may be legally privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication, or any of its contents, is strictly prohibited. If you have received this communication in error, please re-send this communication to the sender and delete the original message and any copy of it from your computer system.
Thank you.

For more information about the firm, please visit us at
<http://www.piperrudnick.com/>

Fink, Robert - NY

From: Avner Azulay [azulrich@
Sent: Saturday, March 18, 2000 2:11 AM
To: robert.fink@
Subject: JQ+MS etc.

I had a long talk with JQ and Michael. I explained why there is no way the MOJ is going to initiate a call to EH - a minister calling a second level bureacrat who has proved to be a weak link. We are reverting to the idea discussed with Abe - which is to send DR on a "personal" mission to N01. with a well prepared script. IF it works we didn't lose the present opportunity - until nov - which shall not repat itself. If it doesn't - then probably Gershon's course of acion shall be the one left option to start all over again. This is only for your info. Regards-AA

PMR&W 00728